

IN THE DRAWINGS:

Please amend the drawings with the following:

1. In Figure 1, add reference numeral 10.

REMARKS:

Claims 1-32 are currently pending in the application.

Claims 1-11, 13-19, 21, 23-29, 31, and 32 stand rejected under 35 U.S.C. § 112, second paragraph.

Claims 1-5, 7, 9-15, 17, 19-25, 27, and 29-32 stand rejected under 35 U.S.C. § 103(a) over U.S. Patent No. 7,058,602 to La Mura et al. ("La Mura") in view of U.S. Patent No. 6,871,191 to Kinney Jr. et al. ("Kinney") and in further view of U.S. Patent No. 6,952,682 to Wellman ("Wellman").

Claims 6, 8, 16, 18, 26, and 28 stand rejected under 35 U.S.C. § 103(a) over *La Mura* in view of *Kinney* in view of *Wellman* and in further view of U.S. Patent No. 7,039,603 to Walker et al. ("Walker").

Although the Applicant believes claims 1-32 are directed to patentable subject matter without amendment, the Applicant has amended independent Claims 1, 11, 21, 31, and 32 and dependent Claims 2-10, 13-19, and 23-29 to expedite prosecution of this Application and to more particularly point out and distinctly claim the subject matter which the Applicant regards as the invention. By making these amendments, the Applicant makes no admission concerning the merits of the Examiner's rejection, and respectfully reserve the right to address any statement or averment of the Examiner not specifically addressed in this response. Particularly, the Applicant reserves the right to pursue broader claims in this Application or through a continuation patent application. No new matter has been added.

SPECIFICATION:

The Office Action alleges that the Specification contains certain informalities. Specifically, the Examiner objects to the title of the invention as being non-descriptive and requests appropriate correction. In response, the Applicant has amended the title of the

application, as suggested by the Examiner. Thus, for at least this reason, the Applicant respectfully requests that the objection to the Specification be reconsidered.

The Applicant respectfully submits that the amendment to the Specification is necessitated by any prior art and is unrelated to the patentability of the present invention.

DRAWINGS:

The Applicant respectfully submits that the original application was filed with two sheets of drawings. The Applicant respectfully submits that the one "Annotated Sheet Showing Changes," with the foregoing proposed changes to Figure 1 is marked in red ink and is enclosed herewith. The Applicant still further respectfully submits that the foregoing changes to Figure 1 has been incorporated into the two sheets of replacements sheets submitted herewith.

The Applicant further respectfully submits that the foregoing changes to the drawings add no new matter to the application and as acknowledged by the Examiner, can be found at Page 6, Line 1 of the original Application as filed. In addition, the Applicant respectfully submits that the changes and amendments proposed herein will not cause any undue burden on the Office.

REJECTION UNDER 35 U.S.C. § 112:

Claims 1-11, 13-19, 21, 23-29, 31, and 32 stand rejected under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite for failing to particularly point out and distinctly claim the subject matter which the Applicant regards as the invention. The Applicant respectfully disagrees.

Nonetheless, the Applicant has amended independent Claims 1, 11, 21, 31, and 32 and dependent Claims 2-10, 13-19, and 23-29 to expedite prosecution of this Application and to more particularly point out and distinctly claim the subject matter which the Applicant regards as the invention. By making these amendments, the Applicant does not indicate agreement with or acquiescence to the Examiner's position with respect to the

rejections of these claims under 35 U.S.C. § 112, as set forth in the Office Action. Particularly, the Applicant reserves the right to file additional claims in this Application or through a continuation patent application.

The Applicant respectfully submits that Claims 1-11, 13-19, 21, 23-29, 31, and 32 are considered to be in full compliance with the requirements of 35 U.S.C. § 112. The Applicant further respectfully submits that Claims 1-11, 13-19, 21, 23-29, 31, and 32 are in condition for allowance. Thus, the Applicant respectfully requests that the rejection of Claims 1-11, 13-19, 21, 23-29, 31, and 32 under 35 U.S.C. § 112 be reconsidered and that Claims 1-11, 13-19, 21, 23-29, 31, and 32 be allowed.

REJECTION UNDER 35 U.S.C. § 103(a):

Claims 1-5, 7, 9-15, 17, 19-25, 27, and 29-32 stand rejected under 35 U.S.C. § 103(a) over *La Mura* in view of *Kinney* and in further view of *Wellman*.

Claims 6, 8, 16, 18, 26, and 28 stand rejected under 35 U.S.C. § 103(a) over *La Mura* in view of *Kinney* in view of *Wellman* and in further view of *Walker*.

Although the Applicant believes Claims 1-32 are directed to patentable subject matter without amendment, the Applicant has amended independent Claims 1, 11, 21, 31, and 32 and dependent Claims 2-10, 13-19, and 23-29 to expedite prosecution of this Application and to more particularly point out and distinctly claim the subject matter which the Applicant regards as the invention. By making these amendments, the Applicant does not indicate agreement with or acquiescence to the Examiner's position with respect to the rejections of these claims under 35 U.S.C. § 103(a), as set forth in the Office Action.

The Applicant respectfully submits that *La Mura*, *Kinney*, *Wellman*, or *Walker*, either individually or in combination, fail to disclose, teach, or suggest each and every element of Claims 1-32. Thus, the Applicant respectfully traverses the Examiner's obvious rejection of Claims 1-32 under 35 U.S.C. § 103(a) over the proposed combination of *La Mura*, *Kinney*, *Wellman*, and *Walker*, either individually or in combination.

The Proposed *La Mura-Kinney-Wellman-Walker* Combination Fails to Disclose, Teach, or Suggest Various Limitations Recited in Applicant's Claims

For example, with respect to independent Claim 1, this claim recites:

An ***electronic marketplace*** comprising one or more computers collectively supporting ***a market having two sides*** and in which there are generally fewer market participants associated with the first side than with the second side, each market participant associated with the first side generally having a greater market capacity than each market participant associated with the second side, the first side being sealed such that offers associated with the first side are inaccessible to the market participants, the second side being open such that offers associated with the second side are accessible to the market participants, the one or more computers collectively operable to:

receive offers from market participants associated with the first side and from market participants associated with the second side, each offer comprising at least an offered price and an offered quantity;

prioritize among any offers associated with the first side that comprise equal offered prices and among any offers associated with the second side that comprise equal offered prices according to a predetermined prioritization scheme, the prioritization among such equally priced offers determining the order in which they are matched with other offers;

match a first offer associated with the first side with a second offer associated with the second side according to a relationship between a first offered price associated with the first offer and a second offered price associated with the second offer; and

determine a strike price for the match between the first offer and the second offer based on the relationship between the first and second offered prices. (Emphasis Added).

Independent Claims 11, 21, 31, and 32 recite similar limitations. *La Mura, Kinney, Wellman, or Walker*, either individually or in combination, fail to disclose, teach, or suggest each and every element of independent Claims 1, 11, 21, 31, and 32.

The Applicant respectfully submit that *La Mura* fails to disclose, teach, or suggest independent Claim 1 limitations regarding an "***electronic marketplace***" and in particular *La Mura* fails to disclose, teach, or suggest independent Claim 1 limitations regarding "one or more computers collectively supporting a market having two sides and in which there

are generally fewer market participants associated with the first side than with the second side, each market participant associated with the first side generally having a greater market capacity than each market participant associated with the second side, the first side being sealed such that offers associated with the first side are inaccessible to the market participants, the second side being open such that offers associated with the second side are accessible to the market participants". In particular, the Examiner equates a "***market having two sides***" recited in independent Claim 1 with "participants of the system" disclosed in *La Mura*. (27 October 2006 Office Action, Page 4). However, the "participants of the system" disclosed in *La Mura* are merely buyers and sellers, ***and do not include, involve, or even relate to a market having two sides***, as recited in independent Claim 1. (Column 2, Lines 3-7). In contrast, the "***market having two sides***" recited in independent Claim 1 includes market participants associated with a first side that generally have a greater market capacity than market participants associated with the second side, the first side being sealed such that offers associated with the first side are inaccessible to the market participants, the second side being open such that offers associated with the second side are accessible to the market participants. Thus, the Applicant respectfully submits that the equations forming the foundation of the Examiner's comparison between *La Mura* and amended independent Claim 1 cannot be made. The Applicant further respectfully submits that these distinctions alone are sufficient to patentably distinguish amended independent Claim 1 from *La Mura*.

The Office Action Acknowledges that *La Mura* Fails to Disclose Various Limitations Recited in Applicant's Claims

The Applicant respectfully submits that the Office Action acknowledges, and the Applicant agrees, that *La Mura fails to disclose the emphasized limitations noted above in independent Claim 1*. Specifically the Examiner acknowledges that *La Mura* fails to disclose "fewer market participa[nts] associated with the first side; second side being open such that offers associated with the second side are accessible to all of the market participants; receiving offers comprising of at least one offered price and quantity; a predetermined prioritization scheme to prioritize among equally priced offers and matched with other offers; a strick price for the match between the first offer and the second offer."

(27 October 2006 Office Action, Pages 4-5). However, the Examiner asserts that the cited portions of *Kinney* and *Wellman* disclose the acknowledged shortcomings in *La Mura*. The Applicant respectfully traverses the Examiner's assertions regarding the subject matter disclosed in *Kinney* and *Wellman*.

The Applicant respectfully submits that *Kinney* fails to disclose, teach, or suggest independent Claim 1 limitations regarding an "**electronic marketplace**" and in particular *Kinney* fails to disclose, teach, or suggest independent Claim 1 limitations regarding "**receive offers from market participants associated with the first side and from market participants associated with the second side, each offer comprising at least an offered price and an offered quantity**". In particular, the Examiner equates the "**offers from market participants**" recited in independent Claim 1 with the "**auction process**" disclosed in *Kinney*. (27 October 2006 Office Action, Page 5). However, the "**auction process**" disclosed in *Kinney* is merely based upon the combination of price and quantity, and **does not include, involve, or even relate to the offers from market participants**, as recited in independent Claim 1. (Column 8, Line 10-12). In contrast, the "**offers from market participants**" recited in independent Claim 1 is **associated with the first side and from market participants associated with the second side, each offer comprising at least an offered price and an offered quantity**. Thus, the Applicant respectfully submits that the equations forming the foundation of the Examiner's comparison between *Kinney* and independent Claim 1 cannot be made. The Applicant further respectfully submits that these distinctions alone are sufficient to patentably distinguish independent Claim 1 from *Kinney*.

The Applicant further respectfully submits that *Wellman* fails to disclose, teach, or suggest independent Claim 1 limitations regarding an "**electronic marketplace**" and in particular *Wellman* fails to disclose, teach, or suggest independent Claim 1 limitations regarding "**prioritize among any offers associated with the first side that comprise equal offered prices and among any offers associated with the second side that comprise equal offered prices according to a predetermined prioritization scheme**", the prioritization among such equally priced offers determining the order in which they are matched with other offers". In particular, the Examiner equates the "**predetermined**

prioritization scheme" recited in independent Claim 1 with the "**predetermined or preset rules**" disclosed in *Wellman*. (27 October 2006 Office Action, Page 5). However, the "**predetermined or preset rules**" disclosed in *Wellman* are merely provided for **selecting matching bid pairs and do not include, involve, or even relate to the predetermined prioritization scheme**, as recited in independent Claim 1. (Column 9, Lines 25-34). In contrast, the **predetermined prioritization scheme** recited in independent Claim 1 prioritizes among such equally priced offers determining the order in which they are matched with other offers. Thus, the Applicant respectfully submits that the equations forming the foundation of the Examiner's comparison between *Wellman* and independent Claim 1 cannot be made. The Applicant further respectfully submits that these distinctions alone are sufficient to patentably distinguish independent Claim 1 from *Wellman*.

The Office Action Fails to Properly Establish a *Prima Facie* case of Obvious over the Proposed *La Mura-Kinney-Wellman-Walker* Combination

The Applicant respectfully submit that the Office Action has failed to properly establish a *prima facie* case of obviousness based on the proposed combination of *La Mura*, *Kinney*, *Wellman*, and *Walker*, either individually or in combination. The Office Action has not shown the required teaching, suggestion, or motivation in these references or in knowledge generally available to those of ordinary skill in the art at the time of the invention to combine *La Mura*, *Kinney*, *Wellman*, or *Walker* as proposed. The Office Action merely states that "it would have been obvious to one of the ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed by *Kinney* and *Wellman* within *La Mura*". (27 October 2006 Office Action, Page 5). The Applicant respectfully disagrees.

The Applicant further respectfully submits that this purported advantage relied on by the Examiner is nowhere disclosed, taught, or suggested in *La Mura*, *Kinney*, *Wellman*, or *Walker*, either individually or in combination. In essence, the Examiner asserts that one of ordinary skill in the art at the time of the invention "for the motivation of matching the most attractive bids to offers" and "for the motivation of selecting the winning bid (i.e., buyer) when two or more buyers have equal bids". (27 October 2006 Office Action, Page

5). The Applicant respectfully disagrees and further respectfully requests clarification as to how the Examiner arrives at this conclusion. The Applicant further respectfully submits that the Examiner is using the subject Application as a template to formulate reconstructive hindsight, which constitutes impermissible use of hindsight under 35 U.S.C. § 103(a).

A recent Federal Circuit case makes it crystal clear that, in an obviousness situation, the ***prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art.*** *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). (Emphasis Added). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35. With respect to the subject Application, ***the Examiner has not adequately supported the selection and combination of La Mura, Kinney, Wellman, or Walker to render obvious the Applicant's claimed invention.*** The Examiner's conclusory statements that "it would have been obvious to one of the ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed by *Kinney* and *Wellman* within *La Mura*", "for the motivation of matching the most attractive bids to offers" and "for the motivation of selecting the winning bid (i.e., buyer) when two or more buyers have equal bids", ***does not adequately address the issue of motivation to combine.*** (27 October 2006 Office Action, Page 5). This factual question of motivation is material to patentability, and cannot be resolved on subjective belief and unknown authority. *Id.* It is improper, in determining whether a person of ordinary skill would have been led to this combination of references, simply to "[use] that which the inventor taught against its teacher." *W.L. Gore v. Garlock, Inc.*, 721 F.2d 1540 (Fed. Cir. 1983). Thus, ***the Office Action fails to provide proper motivation for combining the teachings of La Mura, Kinney, Wellman, or Walker***, either individually or in combination.

The Applicant's Claims are Patentable over the Proposed La Mura-Kinney-Wellman-Walker Combination

With respect to independent Claims 11, 21, 31, and 32, each of these claims includes limitations similar to those discussed above in connection with independent Claim

1. Thus, independent Claims 11, 21, 31, and 32 are considered patentably distinguishable over the proposed combination of *La Mura*, *Kinney*, *Wellman*, or *Walker* for at least the reasons discussed above in connection with independent Claim 1.

With respect to dependent Claims 2-10, 12-20, and 22-30: Claims 2-10 depend from independent Claim 1; Claims 12-20 depend from independent Claim 11; and Claims 22-30 depend from independent Claim 21. As mentioned above, each of independent Claims 11, 21, 31, and 32 include limitations similar to those discussed above in connection with independent Claim 1. Thus, dependent Claims 2-10, 12-20, and 22-30 are considered patentably distinguishable over the proposed combination of *La Mura*, *Kinney*, *Wellman*, or *Walker* for at least the reasons of depending from an allowable claim and are therefore considered to be in condition for allowance.

For at least the reasons set forth herein, the Applicant respectfully submits that Claims 1-32 are not rendered obvious by the proposed combination of *La Mura*, *Kinney*, *Wellman*, or *Walker*, or in knowledge generally available to those of ordinary skill in the art at the time of the invention. The Applicant further respectfully submits that Claims 1-32 are not rendered obvious by the proposed combination of *La Mura*, *Kinney*, *Wellman*, or *Walker*, or in knowledge generally available to those of ordinary skill in the art at the time of the invention, and are in condition for allowance. Thus, the Applicant respectfully request that the rejection of Claims 1-32 under 35 U.S.C. § 103(a) be reconsidered and that Claims 1-32 be allowed.

THE LEGAL STANDARD FOR OBVIOUSNESS REJECTIONS UNDER 35 U.S.C. § 103:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, ***there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings.*** Second, there must be a reasonable expectation of success. Finally, ***the prior art reference*** (or references when combined) ***must teach or suggest all the claim limitations.*** The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be

found in the prior art, ***and not based on applicant's disclosure.*** *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); M.P.E.P. § 2142. Moreover, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 U.S.P.Q. 580 (CCPA 1974). If an independent claim is nonobvious under 35 U.S.C. § 103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988); M.P.E.P. § 2143.03.

With respect to alleged obviousness, there ***must be something in the prior art as a whole to suggest the desirability,*** and thus the obviousness, of making the combination. *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir. 1986). In fact, the absence of a suggestion to combine is dispositive in an obviousness determination. *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573 (Fed. Cir. 1997). The mere fact that the prior art can be combined or modified does not make the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 U.S.P.Q.2d 1430 (Fed. Cir. 1990); M.P.E.P. § 2143.01. The consistent criterion for determining obviousness is whether the prior art would have suggested to one of ordinary skill in the art that the process should be carried out and would have a reasonable likelihood of success, viewed in the light of the prior art. Both the suggestion and the expectation of success must be founded in the prior art, not in the Applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); *In re O'Farrell*, 853 F.2d 894 (Fed. Cir. 1988); M.P.E.P. § 2142.

A recent Federal Circuit case makes it clear that, in an obviousness situation, the prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art. *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35.

CONCLUSION:

In view of the foregoing amendments and remarks, this application is considered to be in condition for allowance, and early reconsideration and a Notice of Allowance are earnestly solicited.

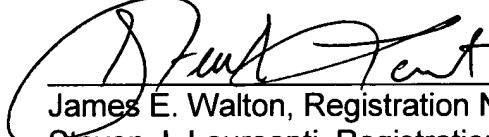
Although the Applicant believes no additional fees are deemed to be necessary; the undersigned hereby authorizes the Commissioner to charge any additional fees which may be required, or credit any overpayments, to **Deposit Account No. 500777**.

Please link this application to Customer No. 53184 so that its status may be checked via the PAIR System.

Respectfully submitted,

1/26/07

Date



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CUSTOMER NO. 53184

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A circular stamp with the words "U.S. PATENT & TRADEMARK OFFICE" around the perimeter and "JAN 30 2007" in the center.

Dynamic Pricing
in an Unbalanced Market
Inventor:: Manoel (nmi) Tenorio
Attorney Docket No. 020431.0955
Filed: August 31, 2001
Sheet 1 of 2

ANNOTATED
SHEET SHOWING
CHANGES

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